

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5573-02
Bill No.: HB 1960
Subject: Motor Fuel; Taxation and Revenue - Sales and Use; Fees; Revenue Dept.
Type: Original
Date: April 2, 2012

Bill Summary: This proposal increases fees for alternative fuel decals and deposits the revenues in the State Highways and Transportation Department Fund.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------------------|----------------------------|----------------------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| Road Fund | Less than \$100,000 | Less than \$100,000 | Less than \$100,000 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | Less than \$100,000 | Less than \$100,000 | Less than \$100,000 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|--|----------|----------|----------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|-------------------------------------|----------------------------|----------------------------|----------------------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| Local Government | Less than \$100,000 | Less than \$100,000 | Less than \$100,000 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture (AGR)** assume there will be no fiscal impact to their agency.

Officials from the **Office of Administration - Division of Budget & Planning (BAP)** assume this proposal should not result in additional costs or savings to their agency.

The proposal would potentially impact TSR and 18e:

- The proposal increases the alternative fuel decal fees, which would increase TSR and 18e calculations by the amount of the increased fees collected.
- This proposal changes the fund in which the fuel decal fees are deposited. Currently, the fees are deposited into the Motor Fuel Tax Fund where-via statutory formula a portion is eventually disbursed to the State Highways and Transportation Fund after a portion is distributed to local governments. This proposal requires all proceeds from the decal fees to be credited to the State Highways and Transportation Department Fund, which would increase TSR and 18e calculations by the amount currently disbursed per statute, to local government.

Officials from the **Department of Transportation (MoDOT)** assume this proposal will have a positive fiscal impact to MoDOT's revenues as these increased fees would be deposited into the State Road Fund. However, with new CAFÉ standards for motor fuel driven vehicles and more vehicles being produced to be fuel efficient, this proposal does not have the significant positive fiscal impact that it once was believed to have. The current fee brought in \$67,000 in FY 2011. An approximate 87% increase in the fee would bring in approximately \$59,000 additional revenue. Thus, the fiscal impact would be a positive less than \$100,000.

Officials from the **Department of Revenue (DOR)** assume Section 304.155 would require revision of procedures to be revised by a Management Analyst Special I requiring 40 hours of overtime at a cost of \$1,182 in FY 13. The application for special fuel decal (DOR-2300) will need to be revised. This would require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182 in FY 13. The DOR's web site would need to be updated. This would require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY 13. Total cost for FTE in FY 13 is \$2,683.

ASSUMPTION (continued)

Oversight assumes this could be accomplished during the normal budgetary process. Should the extent of this work be more than anticipated the agency could request additional appropriation and/or FTE through the budget process.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|---|---------------------|---------|---------|

ROAD FUND

| | | | |
|--|-------------------------------|-------------------------------|-------------------------------|
| <u>Revenue</u> - Department of Transportation Alternative Fuel Decals | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
|--|-------------------------------|-------------------------------|-------------------------------|

| | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| ESTIMATED NET EFFECT ON ROAD FUND | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|---|---------------------|---------|---------|

CITIES AND COUNTIES

| | | | |
|--|-------------------------------|-------------------------------|-------------------------------|
| <u>Revenue</u> - Alternative Fuel Decals | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
|--|-------------------------------|-------------------------------|-------------------------------|

| | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| ESTIMATED NET EFFECT ON CITIES AND COUNTIES | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|

FISCAL IMPACT - Small Business

There may be an increase in cost to a business that owns and operates a vehicle that would require a special fuel decal.

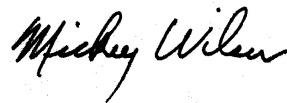
FISCAL DESCRIPTION

The proposed legislation increases fees for alternative fuel decals and deposits the revenues in the state highways and transportation department fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Administration -
 Division of Budget & Planning
Department of Transportation
Department of Revenue



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Director
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